

**BEFORE THE
ILLINOIS COMMERCE COMMISSION**

Request for Public Comment Concerning the
Implementation of Governor Blagojevich's proposal for a
Sustainable Energy Plan

**COMMENTS OF
Midwest Sustainable Energy Contractors, Inc.**

Midwest Sustainable Energy Contractors, Inc. respectfully submits the following comments to the Illinois Commerce Commission's (ICC) in response to the Request for Public Comments Concerning the Implementation of Governor Blagojevich's proposal for a Sustainable Energy Plan for Illinois (the Plan).

Introduction

Midwest Sustainable Energy Contractors, Inc. (MSEC) is an energy engineering and efficiency analysis company registered in Illinois. MSEC is registered as a Pre-Qualified Service Provider in the Governor's SBSE Program. MSEC also offers Home Performance Contracting services. We have worked with the DCEO in the past and have found them to be an extraordinarily qualified group of people. They represent a great asset for Illinois, as it makes this higher commitment to energy awareness in pursuit of the positive economic repercussions thereof. Smart energy = jobs = savings = exponential positive economic momentum at the statewide level. These savings have the potential to become measurable in the billions of dollars, tens of thousands of jobs, and at the level of regenerating community economic prosperity!

As an energy analysis company, MSEC does verify that in Illinois, there is a tremendous amount of 'low hanging fruit' in the form of load reduction savings through energy efficiency measures. To 'harvest' this low hanging fruit will take a small army of people, being trained, and operating in, both existing and new energy related jobs. Additionally, there are manufacturing opportunities, related to these technologies as well. Illinois, under the leadership of the

Governor's program, is poised to take full advantage of these exciting circumstances.

Furthermore, MSEC concurs with the Governor's decision to fully support Geoexchange technology. Our MSEC analysis process clearly shows Geoexchange to be a quantifiable technical solution for accessing the unlimited btu's of stored energy, available literally under our feet. And at a time when mature 'geoexchange' technologies are readily available. Tapping this heretofore untapped 'geo' energy represents moving billions of dollars of additional spendable income into the pocketbooks of the residents of Illinois!

MSEC is aware that **Illinois spends 30 billion per year on energy**. A 10 % (easy) reduction would be worth 3 billion additional dollars to the residents of Illinois, *per year*! The Governor's Sustainable Energy Plan is essential to moving Illinois residents and businesses toward these savings. This will serve to help keep Illinois competitive and in the process, grow many new and non - exportable jobs.

Discussion

We strongly support the plan and believe that it represents the best and most comprehensive means available for creating a sustainable energy future for Illinois. The proposed Renewable Portfolio Standard and Energy Efficiency Portfolio Standard will help improve electric reliability, enhance the environment, lower the cost of doing business in the state, and create jobs. These results can only be achieved by implementing the Plan as proposed by Governor Blagojevich.

In our view, the renewable portfolio standard represents an effective tool for ensuring the procurement of energy from renewable sources. This plan addresses imbalances within the energy sector that have held back renewable resources from competing with conventional resources.

Similarly, the energy efficiency portfolio standard is well designed to achieve its purpose. It is our opinion that it will go a long way toward reducing energy use and electric demand, while also producing significant environmental benefits. The economic benefits are equally compelling. Many new jobs will be created for the individuals and companies that provide these

energy efficiency services. These will involve various trades (contractors, product dealers, architects, construction workers, etc.), and will involve the acquisition of important new skill sets. Illinois households and businesses will enjoy lower utility bills and will consequently have more disposable income to spend or save, and capital will be freed up for business expansion and new hiring.

In implementing the Energy Efficiency Portfolio Standard, it is critical to the success of this plan that the competitive long-term contracts awarded to efficiency services providers achieve not only demand reduction (KW) but also overall energy savings (kWh) to avoid a load shifting problem and to ensure a permanent solution. Furthermore, we applaud the Governor's proposal for long-term contracts to allow for true market transformation to take place and for permanent sustainable energy efficiency measures to be implemented. For example, Heating, Ventilation and Air Conditioning (HVAC) systems typically account for over 30% of the energy requirements of homes, businesses and institutions, yet many of the programs implemented by other states have not adequately addressed this end use. Many of the programs adopted by other states focus on "quick-fix" measures like lighting, whereas very little effort is expended on more complex measures like HVAC, where substantial opportunities to capture energy savings and demand reduction are being overlooked. In our view, to serve the needs of Illinois ratepayers, the programs selected for funding must strike a balance between short-term "quick-fix" measures and measures that significantly reduce energy use and demand, that have long useful lives and low likelihood of removal or being over-ridden by a less-committed customer.

To that end we strongly support the Governor's recommendation that the ICC establish an Illinois Sustainable Energy Advisory Council to ensure the Plan's successful implementation. Furthermore, we strongly support the Governor's recommendation that \$10 million be made available to support the energy efficiency programs administered by the Department of Commerce and Economic Opportunity (DCEO). It is our experience that, despite best intentions, the programs selected by electric utilities and alternative retail electric suppliers can not address all necessary gaps on the road to market transformation – DCEO can help fill such gaps. Some program activities can be hard to quantify, yet they are essential to building the local infrastructure and to achieving the set energy efficiency goals (such as training for building

trades, building operators, engineers, architects and design professionals). These obstacles should be addressed by DCEO and not left without the attention they require.

Conclusion

In conclusion, we believe that the Sustainable Energy Plan represents a very real opportunity to advance the use of renewable technologies and addressing the state's energy and environmental needs. We strongly support the Plan as proposed by Governor Blagojevich and urge Chairman Hurly and the ICC to commence with implementation for the good of Illinois and its citizens.

Respectfully submitted this 10th day of March, 2005,

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